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IN THE

Supreme Court of the United States

FESTO CORPORATION,

Petitioner,

v.

SHOKETSU KINZOKU KOGYO KABUSHIKI CO., LTD., a/k/a SMO CORP. and SMC PNEUMATICS, INC.,

Respondents.

On Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

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BRIEF OF THE HOUSTON INTELLECTUAL PROPERTY LAW ASSOCIATION AS *AMICUS CURIAE* IN SUPPORT OF PETITIONER

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QUESTIONS PRESENTED

The amicus curiae will address the following questions:

1. Whether every claim-narrowing amendment designed to comply with any provision of the Patent Act—including those provisions not related to prior art—automatically creates prosecution history estoppel regardless of the reason for the amendment.
2. Whether a finding of prosecution history estoppel completely bars application of the doctrine of equivalents.

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INTERESTS OF THE *AMICUS CURIAE*

The Houston Intellectual Property Law Association (HIPLA) is an association of over 400 lawyers and other professionals who work in the Houston, Texas area.[1] The practice of most of the HIPLA membership relates in substantial part to the field of intellectual property law. Founded in 1961, HIPLA is one of the largest regional associations of intellectual property practitioners. No HIPLA member has served as record counsel to any party in the subject of this appeal.

HIPLA believes that two of the rules announced by the Federal Circuit in this case will work an arbitrary restriction of property rights held by a significant number of patentees, and will burden prospectively the orderly and efficient operation of the patent system. The first of these is the Federal Circuit's holding "that when a claim amendment creates prosecution history estoppel, no range of equivalents is available for the amended claim element." *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki*, 234 F.3d 558, 564 (Fed. Cir. 2000) (*en banc*). The second is the restriction of evidence a patent holder may use to rebut the presumption that unexplained claim amendments are related to patentability to the intrinsic evidence of the prosecution record. *Festo*, 234 F.3d at 586. The "inflexible bar" rule is the subject of the second question presented by Festo's petition. The "intrinsic evidence" rule is within the scope of the first. This amicus curiae respectfully requests that this Court reverse the Federal Circuit's holdings on both points.

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[1] No counsel for a party authored this brief in whole or in part, and no person or entity other than *amicus curiae*, its members or counsel, has made a monetary contribution to the preparation or submission of this brief. This brief is submitted with both parties' consent.

BACKGROUND

Judge Michel proposed in his partial dissent "that the majority's rule will reduce the effective scope, and thus, the value, of most of the 1,200,000 patents that are unexpired and enforceable." *Festo*, 234 F.3d 558. That critique was not challenged by the *Festo* majority, presumably because it is true. Moreover, this reduction in the scope and value of patent rights will be worked through rules which, while satisfying the majority's desires for certainty, are unfair and arbitrary as applied to the past behavior of patent applicants and their attorneys. To fully assess the consequences of the Federal Circuit's "inflexible bar" and "intrinsic evidence" rules, it is necessary to frame those rules in the context of the process by which patents are applied for and issued.

A. *The Contents of a Patent Application*

The patenting process begins with the submission of an application and fee to the United States Patent and Trademark Office (PTO). 35 U.S.C. § 111(a). The "application" includes a specification (as prescribed by 35 U.S.C. § 112), drawings (as prescribed by 35 U.S.C. § 113), and an oath (as prescribed by 35 U.S.C. § 115). 35 U.S.C. § 111(a)(2). The specification includes a "written description of the invention, and of the manner and process of making and using it, in such full, clear, concise and exact terms as to enable any person skilled in the art . . . to make and use the same." 35 U.S.C. § 112. In addition, the specification "shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention." *Id.* The content of the specification, as amended by the applicant and/or the PTO examiner, is ultimately reformatted and printed in the patent itself.

A specification may (and typically does) describe multiple patentable devices or methods. The claims identify which of these devices or methods are the subject of the patent grant.

For example, a patent applicant disclosing a device having patentable features A, B, and C, may submit claims to A (or B or C) alone, or to any of the combinations AB, AC, BC, and ABC. However, the specification must contain an explicit written description of anything that the applicant submits in a claim. *Lockwood v. American Airlines, Inc.*, 107 F.3d 1565, 1571–72 (Fed. Cir. 1997). There is no limit to the number of claims an applicant may submit—although the filing fee increases for claims above a certain number. 37 C.F.R. § 1.116. Once issued, the claims become the measure of the patent, both for the purpose of assessing its validity and for deciding if it is infringed. *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 373 (1996).

In addition to the application and oath, the applicant may submit an "information disclosure statement" that identifies prior art that is potentially relevant to the invention. 37 C.F.R. §§ 1.97-98. "Prior art" includes the printed publications, and instances of prior invention, sale, or use that are identified by the novelty provisions of 35 U.S.C. § 102. *See Oddzon Products v. Just Toys, Inc.*, 122 F.3d 1396, 1401-02 (Fed. Cir. 1997). There is no requirement in the patent law that an applicant conduct any sort of search for prior art. *See FMC Corp. v. Hennessy Industries, Inc.*, 836 F.2d 521, 526 (Fed. Cir. 1987). However, the PTO imposes a duty on patent applicants (and their attorneys) to disclose prior art (of which they are aware) that is "material to patentability." 37 C.F.R. § 1.56.

At least before the *en banc* decision in *Festo*, a common practice among patent attorneys has been to submit claims of varying scope—ranging from the most expansive breadth that may be allowed over the prior art known to the applicant, to a narrowly-tailored fit to a specific embodiment (such as a commercial product). This practice is efficient in two respects. It allows for examination of all patentable aspects of an invention in a single proceeding (rather than through

multiple applications). And it places the burden of searching (or knowing) the prior art on a single, skilled PTO examiner, rather than on multiple applicants with cases pending before that examiner. The applicant's imperfect knowledge of the art can be remedied by amendment without surrendering the scope to which he/she was otherwise entitled—that is, before *Festo* was decided.

B. *The Perils of Claim Drafting and the Doctrine of Equivalents*

The drafting of patent claims is an inherently imprecise exercise. Judge Learned Hand in *Royal Typewriter Co. v. Remington Rand, Inc.*, 168 F.2d 691 (2nd Cir. 1948), described the quandary of the applicant in drawing claims.

> It is true that a boundary cannot be drawn with precision; and the draftsman of claims is always in something of a dilemma—the dilemma which has led to the very "doctrine of equivalents" itself. He must first pick out those elements of the [subject matter] which together make up the invention, for so the statute requires: 'he shall particularly point out and distinctly claim the part, improvement, or combination which he claims as his invention or discovery.' On the other hand, if he confines himself rigidly to the elements as they appear in the specification, he deprives the patent of any practical value, because it is always, or almost always, possible to change the form of these as they appear, and yet cull the full advantage of the discovery. On the other hand, if he too much abandons the elements as they are disclosed, he will not 'particularly point out . . . the part . . . or combination which he claims': i.e., he will have so far generalized the disclosure, that the combination of any elements which will effect the same result will be covered. The patent will then pro tanto stifle progress in the art and be invalid. It is impossible to emerge from this embarrassment without some element of compromise; the elements as they appear in the claims must be clearly enough identified with elements in the [subject matter] to be 'substantially' limited by their description, verbal and pictorial. Yet, the claims must be given enough scope to cover 'substantially similar' variants. It is always a question of degree, and courts have differed, and will always differ, as to the allowable latitude in a given instance.

168 F.2d at 1092.

This difficulty in drafting claims is all the more challenging for the reasons stated by Judge Newman, concurring, in *Hilton Davis Chemical Co. v. Warner-Jenkinson Co. Inc.*, 62 F.3d 1512, 1536 (Fed. Cir. 1995), *reversed and remanded*, *Warner-Jenkinson Co. Inc. v. Hilton Davis Chemical Co*, 520 U.S. 17 (1997):

> The patent law places strong pressure on filing the patent application early in the development of the technology, often before the commercial embodiment is developed or all of the boundaries fully explored. Since the patentee is barred from enlarging the claims after two years from the date of issuance, later developments are excluded from the patent system unless they independently meet the criteria of patentability. . . . Most legal documents can be reformed, or amended, or supplemented. However, the available mechanisms for patent documents are extremely limited, for neither the reissue nor reexamination procedure permits adding to the disclosure. Thus some technologic variants can be reached only through litigation invoking the doctrine of equivalents.

As Judge Newman recognized, the inherent imprecision in a patent applicant's ability to define his exclusive right with absolute precision is remedied somewhat through the doctrine of equivalents. Judge Hand, whose *Royal Typewriter* decision was cited approvingly by this Court in *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 339 U.S. 605 (1950), explained as well as anyone how this happens:

Coming then to the question of infringement, we are first to interpret the claims in the light of the disclosure; and both the claims and the disclosure in the setting of the prior art. In these respects, a patent is like any other legal instrument; but is peculiar in this, that after all aids to interpretation have been exhausted, and the scope of the claims has been enlarged as far as the words can be stretched, on proper occasions, courts make them cover more than their meaning will bear. If they applied the law with inexorable rigidity, they would never do this, but would remit the patentee to his remedy of re-issue, and that is what they frequently do. Not always, however, for at times they resort to the "doctrine of equivalents" to temper unsparing logic and prevent an infringer from stealing the benefits of an invention. No doubt, this is, strictly speaking, an anomaly; but it is one which the courts have frankly faced and accepted from almost the beginning. All patents are entitled to its benefit to an extent, measured on the one hand by their contribution to the art, and on the other by the degree to which it is necessary to depart from the meaning to reach a just result.

168 F.2d at 692 (citations omitted).

C. *The PTO's Action On An Application*

When the PTO receives a patent application, it directs that application to an "art unit" responsible for examination in the technical field of the applicant's invention. The examiner to which the application is assigned is obliged to "make a thorough study thereof and shall make a thorough investigation of the prior art relating to the subject matter of the claimed invention." 37 C.F.R. § 1.104(a). If the examiner determines that the invention is not patentable, then "the claims, or those considered unpatentable will be rejected." 37 C.F.R. § 1.104(c)(1). When rejecting claims for want of novelty (*see* 35 U.S.C. § 102) or for obviousness (*see* 35 U.S.C. § 103), the examiner "must cite the best references at his or her command." 37 C.F.R. § 1.104(c)(2). If the

pertinence of a reference is not apparent, then it "must be clearly explained, and each rejected claim specified." *Id.* The examiner is under no duty to reject claims, and it is not unusual for claims to be allowed without any further action by the applicant.

If the action of the PTO examiner is adverse to the applicant in any respect, then the applicant has a right to reply. 37 C.F.R. § 1.111(a). That reply may request reconsideration or further examination, with or without amendment. *Id.* It "must be reduced to a writing which distinctly and specifically points out the supposed errors in the examiner's action and must reply to every ground of objection and rejection in the prior Office action." 37 C.F.R. § 1.111(b). If the applicant amends his/her claims, then he/she must "clearly point out the patentable novelty which he [] thinks the claims present in view of the state of the art" and "show how the amendments avoid such references or objections." 37 C.F.R. § 1.111(c). Although the applicant is under no duty to reply, the application will be held abandoned if no reply is received within a certain period of time. 35 U.S.C. § 133.

If the applicant's arguments are unpersuasive, the examiner may, "on the second or any subsequent examination or consideration," make his rejections final. 37 C.F.R. § 1.113(a). At this point, there are several options available to the applicant. If there are allowable claims, then he/she may cancel the rejected claims and receive a patent claiming only the allowed subject matter. He/She may request continued examination by filing the appropriate submissions and fee. 37 C.F.R. § 1.114(a). He/She may appeal the rejection to the Board of Patent Appeals and Interferences, 35 U.S.C. § 134(a), whose decisions in turn may be appealed to the United States Court of Appeals for the Federal Circuit (35 U.S.C. § 141) or challenged by civil action in the United States District Court for the District of Columbia (35 U.S.C. § 145).

At times, claims are rejected not based on prior art or unsupported breadth, but for technical drafting or non-substantive reasons correctable by amendment. For example, a claim that is "dependent" may, by reference to another claim, incorporate limitations from that claim. *See* 35 U.S.C. § 112. A dependent claim must hang directly (or indirectly through reference to another dependent claim) from an independent claim (*i.e.*, one that does not incorporate limitations by reference from another claim). *See* 37 C.F.R. § 1.75(c). The limitations of the independent claim may not suffice to distinguish that claim patentably from the prior art, but the additional limitations of a dependent claim may. In such a case, the examiner may object to the dependent claim not because it fails to distinguish over the art, but because it is not in a form needed for allowance (*i.e.*, it must be rewritten in independent form). There are any number of non-substantive informalities that may be identified and corrected. Amendment is the process of refining the claims so that they distinguish over the prior art, are not broader than the specification will support, and are rid of these informalities.

D. *The Accident Of Prosecution History: An Example*

The sum of all of this activity comprises the "prosecution history" of the patent. That history is contained in a written record that the PTO maintains for each patent application that it processes. Through his/her initial claim selection—and through the subsequent process of amendment, cancellation, or argument—the applicant may eventually arrive at claims that are deemed allowable by the PTO examiner. For the same invention, there are multiple paths to the same patent. The Federal Circuit's "inflexible bar" rule poses dire consequences to applicants whose path included claim amendment—a choice which, before *Festo*, was little more than an accident of history.

The arbitrary impact of the Federal Circuit's "inflexible bar" may be illustrated through an example based on the

patent addressed in *Warner-Jenkinson Co. v. Hilton Davis Chemical*, 520 U.S. 17 (1997). That patent claimed a process for purifying dye which involved subjecting an aqueous solution to ultrafiltration through a membrane having a specified pore size, at a specific hydrostatic pressure range, and "at a pH from approximately 6.0 to 9.0". *Warner-Jenkinson*, 520 U.S. at 22. During prosecution, the PTO examiner cited prior art (the Booth patent) teaching an ultrafiltration process operated at above a pH of 9.0. A patent having the literal scope of the Hilton Davis patent might have been arrived at through any of the following routes:

1. Hilton Davis presents original claims limited to processes operated "at a pH from approximately 6.0 to 9.0," which are allowed without rejection;
2. Hilton Davis presents original claims limited to processes operated "at a pH from approximately 6.0 to 9.0," the claims are rejected based on the Booth patent, and Hilton Davis argues (successfully) for patentability in its reply;
3. Hilton Davis presents original claims that contain and original claims that lack the pH limitation, the examiner rejects only the claims that lack the pH limitation, Hilton Davis cancels the rejected claims;
4. Hilton Davis presents original claims that contain and original claims that lack the pH limitation; the examiner rejects all the claims, Hilton Davis argues (successfully) for the pH-limited claims, then cancels the claims that lack this limitation;
5. Hilton Davis presents original claims that lack any pH limitation, the examiner rejects those claims; Hilton Davis amends its claims to a process operated "at a pH from approximately 6.0 to 9.0" (*i.e.*, the actual facts of *Warner-Jenkinson*).

In each case, the claims of the issued patent are literally identical. But the scope of equivalence afforded each

"patent" would differ dramatically based upon its prosecution history. In case 1, there would be no prosecution history estoppel, and Hilton Davis would be entitled to whatever range of equivalents is allowed by the prior art, *see Wilson Sporting Goods Co. v. David Geoffrey & Associates*, 904 F.2d 677, 684 (Fed. Cir. 1990), and by the legal standard of equivalence. *See Warner-Jenkinson*, 520 U.S. at 39-40. In cases 2 and 4, Hilton Davis's arguments for patentability would create a prosecution history estoppel under Federal Circuit law. *See Texas Instruments, Inc. v. U.S. International Trade Commission*, 988 F.2d 1165, 1174 (Fed. Cir. 1993). In case 3, cancellation of the broader claim would also work an estoppel under Federal Circuit law. *See Diversitech Corp. v. Century Steps, Inc.*, 850 F.2d 675 (Fed. Cir. 1988). But because the claims were not amended, the estoppel in cases 2-4 would presumably be analyzed under the "flexible bar" that the Federal Circuit has applied in dozens of decisions published since 1983. *See Festo*, 234 F.3d at 613-15. In case 5, Hilton Davis would, under the "inflexible bar" of *Festo*, be entitled to no range of equivalents. That is a severe consequence – and one that would not have been predicted by the hypothetical attorney who drafted and prosecuted the application in case 5. That is why the "inflexible bar" of *Festo* is fundamentally unfair when applied to the 1,200,000 patents that are still within their statutory term.

E. *Amendments And The Warner-Jenkinson Presumption*

The *Festo* decision is directed to the consequences of claim amendment on subsequent efforts to enforce the patent through the doctrine of equivalents. One problem identified by this Court was that posed by an amendment that is offered without explanation. In such cases, this Court "place[d] the burden on the patent holder to establish the reason for an amendment required during patent prosecution." *Warner-Jenkinson*, 520 U.S. at 33. This Court set up a presumption

that in those cases "the patent applicant had a substantial reason related to patentability for including the limiting element added by amendment." *Id.* But that presumption was "subject to rebuttal if an appropriate reason for a required amendment is established." *Id.* In *Festo*, the Federal Circuit limited the evidence that may be used to rebut that presumption to the contents of the prosecution record. *Festo*, 234 F.3d at 586.

The application of this "intrinsic evidence" rule to the 1,200,000 patents in force will have consequences that are every bit as arbitrary and unfair as those that will result from the "inflexible bar." Other than a PTO regulation urging applicants to explain how an amendment offered to overcome prior art defines patentable subject matter (37 C.F.R. § 1.111), there is no requirement that a patent applicant explain his amendments. A patent applicant may amend his claims by right at any time preceding a final rejection, and by permission afterward. 37 C.F.R. § 1.116. Claims may be amended for a variety of reasons, and those reasons may (or may not be) identified depending upon the practice of the attorney who amended them. These reasons may vary from a change in the responsible attorney, to a change in the design or formulation of a commercial product to be protected by the patent, to a change in the law defining patentable subject matter or infringement, to the discovery of a prior art reference or information learned in an investigation of inventorship, *et cetera*. In none of those cases would the attorney be obligated to state his reasons for amendment. And if he did not, then the only evidence that the patent holder could use to rebut the *Warner-Jenkinson* presumption would be extrinsic, and thus excluded from consideration under *Festo*.

The Federal Circuit's "intrinsic evidence" rule is especially pernicious when applied to patent applications originated in foreign countries and filed in this one under 35 U.S.C. § 119 (as was the Stoll patent asserted by Festo). Domestic

attorneys representing foreign clients frequently face tight deadlines in filing these applications. It is common in these cases for the attorney to file a "preliminary amendment" subsequent to a timely filing of an application that met the statutory deadline. That practice is recognized and encouraged by the PTO's Manual of Patent Examination Procedure (MPEP).[2] The purpose of that "preliminary amendment" is typically to conform the claims to United States law and practice, and to the tastes of the domestic attorney. That explanation may be stated in the prosecution record, or it may not be—since there was absolutely no requirement that the attorney do so. Notwithstanding that amendments in these cases are easily explained through extrinsic evidence, *Festo* would bar patentees from offering that explanation. Under the Federal Circuit's "intrinsic evidence" rule, the patentee's access to the doctrine of equivalents is based solely upon an accident of attorney practice that was of no consequence at the time of amendment.

F. *Prospective Consequences and Avoidance Behavior*

The harsh consequences of the *Festo* "intrinsic evidence" rule are avoidable prospectively. Attorneys who have not previously explained certain amendments will begin to do so. The same cannot be said of the *Festo* "inflexible bar." A

[2] MPEP §702.01 expressly recommends amendments in the following situation: "It is obviously to applicant's advantage to file the application with an adequate disclosure and with claims which conform to the U.S. Patent and Trademark Office usage and requirements. This should be done whenever possible. If, however, due to the pressure of a Convention deadline or other reasons, this is not possible, applicants are urged to submit promptly, preferably within 3 months after filing, a preliminary amendment which corrects the obvious informalities. The informalities should be corrected to the extent that the disclosure is readily understood and the claims to be initially examined are in proper form, particularly as to dependency, and otherwise clearly define the invention. 'New matter' must be excluded from these amendments since preliminary amendments do not enjoy original disclosure status." MPEP §608.04(b).

member of the *Festo* majority theorized in a concurring opinion that a patent attorney cannot have any expectations at the application stage regarding the doctrine of equivalents because he "is ill-advised to settle for a narrower claim than he considers justified on the assumption that he can rely on the doctrine of equivalents for broader coverage." *Festo*, 234 F.3d at 596-97. This amicus curiae respectfully disagrees. The literal scope that an applicant may claim through amendment is limited by the written description contained in the original specification. Although the applicant may amend the written description to support amended claim language, he/she will lose the original priority date by doing so. *See Vas-Cath, Inc. v. Mahurkar*, 935 F.2d 1555, 1561-63 (Fed. Cir. 1991). This may create invalidating prior art or bars to patentability out of publications or uses of the invention that would not otherwise qualify.

Returning to the *Warner-Jenkinson* hypothetical, there was presumably support in Hilton Davis's original specification for a process operated "at a pH from approximately 6.0 to 9.0." That support would be in the form of an explicit statement that identifies this pH range. Assuming that a process operated "at a pH from approximately 2.0 to 9.0" would have been patentable to Hilton Davis, the applicant could have obtained that scope of patent protection:

1. by including the range of "2.0 to 9.0" in its claim amendment—which it could have done *only* if its original specification explicitly identified that range;
2. (if it did not) by amending both the written description and claims, thereby losing the original priority date and raising potential invalidating prior art or bars; or
3. through the doctrine of equivalents.

After *Festo*, only the first option may be viable. This suggests the first type of inefficient avoidance behavior that the "inflexible bar" rule will encourage—the submission of

lengthy (and more time-consuming to examine) specifications that contain support for every possible literal claim scope the applicant might want to add subsequently by amendment.

But the more burdensome avoidance behavior, both for the patent system and for the public, will be a proliferation of appeals. Returning to the *Warner-Jenkinson* example, assume that (at the time of rejection) Hilton Davis: (1) could support a claim amendment only to processes operated at a pH of 6.0-9.0; (2) could not amend its written description to identify a broader range without creating invalidating prior art; and (3) knew that a process operated at a pH of 5.0 was perfectly viable. Before *Festo*, Hilton Davis would likely have made the "6.0 to 9.0" amendment and relied upon the doctrine of equivalents.

After *Festo*, Hilton Davis would appeal the rejection. The appeal process is neither efficient nor swift,[3] and will grow even less so as the caseload of the Board of Patent Appeals and Interferences swells in response to *Festo*. The years that pass in an appeal are years of term denied the patentee on the front end—when patent protection is most needed. Under recent revisions of the patent statute (*see* 35 U.S.C. § 154(b)(1)(C)), that term is added on the back end—at a time when mature technologies should be passing into the public domain.

ARGUMENT

If in the course of prosecution, claims are amended (as is commonplace), it is possible that substantive ground was surrendered to get the claims allowed. A court-made doctrine with its roots in the common law, the doctrine of prosecution history estoppel acts as a check on the reach of the doctrine of equivalents, to prevent recapture of surrendered ground,

[3] This amicus is unaware of a formal publication of time-to-decision statistics of the Board of Patent Appeals and Interferences. It appears that time is about 2-3 years.

whether it was surrendered to meet a condition of patentability under 35 U.S.C. §102 or 103, or to comply with one of the requirements of 35 U.S.C. §112 (*e.g*, a reduction of claim scope to what is supported by the specification).

A. *The Federal Circuit Has Applied Prosecution History Estoppel Flexibly*

Historically, the doctrine of prosecution history estoppel has not prevented the doctrine of equivalents from extending the patentee's exclusive right to equivalents in the space between the literal boundaries of the *amended* claim and what was surrendered. As stated in the Federal Circuit's lead case, *Hughes Aircraft Co. v. United States*, 717 F.2d 1351, 1363 (Fed. Cir. 1983):

> Amendment of claims is a common practice in prosecution of patent applications. No reason or warrant exists for limiting application of the doctrine of equivalents to those comparatively few claims allowed exactly as originally filed and never amended.

In dozens of subsequent cases, the Federal Circuit applied a flexible bar, in which amended claims are allowed access to the doctrine of equivalents. These cases were reviewed at length in Judge Michel's concurrence. *Festo*, 234 F.3d at 613-15.

B. *This Court Has Not Countenanced an Inflexible Bar*

In *Warner-Jenkinson*, the patentee (Hilton Davis) amended a claim during prosecution to introduce a limitation of "approximately pH 6.0" in a pH range extending upwardly to approximately pH 9.0. The upper pH limitation was inserted to avoid a prior art reference. There was no indication in the record why the lower pH limit was inserted. Petitioner Warner-Jenkinson's accused process used a pH of 5.0.

Petitioner argued that the amendment to approximately pH 6.0 barred Hilton Davis from reaching petitioner's process at pH 5.0, advocating a rule that "any surrender of subject

matter during patent prosecution, regardless of the reason for such surrender, precludes recapturing any part of that subject matter, even if it is equivalent to the matter expressly claimed." This Court expressly rejected this argument. *Warner-Jenkinson*, 520 U.S. at 30. Indeed, this Court pointed out:

> But Petitioner reaches too far in arguing that the reason for an amendment during patent prosecution is irrelevant to any subsequent estoppel. *Id.*

The Court stated:

> Our prior cases have consistently applied prosecution history estoppel only where claims have been amended for a limited set of reasons, and we see no substantial cause for requiring a more rigid rule invoking an estoppel regardless of the reasons for a change. *Id.*, at 32.

The Court accordingly ruled that inclusion of the lower pH 6.0 limitation did not necessarily preclude a finding of infringement based on equivalency: "[W]hile a lower limit of 6.0, by its mere inclusion, became a material element of the claim, that did not necessarily preclude the application of the doctrine of equivalents as to that element." *Id.*

C. Festo *Has Unfairly (And Improperly) Changed the Rules of the Game*

The Federal Circuit has in effect overruled 150 years of this Court's precedent and 18 years of its own. Judge Lourie, concurring, remarked, that if this Court in *Dickinson v. Zurko*, 527 U.S. 150 (1999), could overrule decades of practice in order to bring the Federal Circuit's standard of judicial review of PTO fact-findings in line with the standard of review applied to other administrative agencies, then *stare decisis* should be no bar to the "important policy decisions" that the majority thought justified its extreme departure from precedent. *Festo*, 234 F.3d at 597.

In *Warner-Jenkinson*, this Court admonished that "the various policy arguments now made by both sides are thus best addressed to Congress, not this Court." Yet, on the basis of policy, the Federal Circuit has "despite the absence of development of policy issues on this appeal, legislated a new balance between inventor and imitator." *Festo*, 234 F.3d at 638 (Newman, J., dissenting).

When the petitioner in *Warner-Jenkinson* urged a bright line test tantamount to the one the majority in *Festo* has "legislated," this Court adamantly ruled this "was not a sufficient reason for adopting such a rule":

> That petitioner's rule might provide a brighter line for determining whether a patentee is estopped under certain circumstances is not a sufficient reason for adopting such a rule. . . . To change so substantially the rules of the game now could very well subvert the various balances the PTO sought to strike when issuing the numerous patents which have not expired and which would be affected by our decision.

520 U.S. at 32, n.6.

This Court's pronouncement about so substantially changing the "rules of the game" is no less true in this case than in *Warner-Jenkinson*. The Federal Circuit's "legislation" is more appropriately left to the Congress, where measures can be taken to ameliorate the effect on patentees of a change in rules that overturns 150 years of this Court's precedent and 18 years of the Federal Circuit's—rules on which patent applicants have relied. The devastating effect of these rulings, by which any amendment, however remotely related to one of the patent statute's provisions, erects an absolute bar to availability of the doctrine of equivalents, is demonstrated specifically by the application of these rulings to the patents in this case.

SMC's product literally met each element of Festo's Carroll patent except one: "a pair of sealing rings". SMC employed a single two way sealing ring. SMC's sealing ring

was found an infringing equivalent by the district court, which finding was upheld by the Federal Circuit before this Court's decision in *Warner-Jenkinson*. SMC's product also met literally each element of the Stoll patent, except two: the "sealing rings" and a "magnetizable sleeve." The Stoll patent was also found infringed under the doctrine of equivalents, both at the district court level and on appeal preceding *Warner-Jenkinson*.

In the prosecution of the Carroll patent, appellant Festo had sought reexamination (*see* 35 U.S.C. § 302, *et seq.*) in light of German Patent No. 1,982,379. After the reexamination request was granted but before reexamination on the merits, Festo cancelled original claim 1 and added a new claim that differed from the original claim in several ways, including the addition of "a pair of resilient sealing rings." Because sealing rings were described in the cited German patent, this element did not impart a distinction from the prior art. The sealing rings were not amended during subsequent prosecution. No argument by the applicant was directed to the sealing rings, and no issue of patentability concerning the sealing rings was raised by the examiner. Festo's argument during reexamination related only to other components of the device. The examiner mentioned several components of the combination in the "Reasons for Allowance," but not the sealing rings. Nonetheless, the majority decision in *Festo* held that it sufficed as a "narrowing amendment" that the claim as a whole was narrowed when the sealing rings were added before examination, so as to bar access to the doctrine of equivalents for that element.

In the prosecution of the Stoll patent, the patent application was filed in the United States as the English translation of a prior German patent application. In the first action in the United States, the examiner rejected the application under 35 U.S.C. §112 ¶ 1, stating: "Exact method of operation unclear. Is device a true motor or magnetic clutch?" The examiner also objected to claims 4-12, which apparently were filed in

the same form as in the foreign priority application, as being in improper multiple dependent form, citing 35 U.S.C. §112 ¶ 2. The examiner also listed three references "believed pertinent." The references were not discussed and no rejection was made based on prior art.

In response, Stoll explained the invention's method of operation and amended the specification accordingly. Stoll also rewrote the claims, eliminating the improper multiple dependent form. Original claim 1 included as a limitation "sealing means at each end [of a piston] for wiping engagement with an internal surface of the tubular part". Stoll cancelled original claim 1 and filed a new independent claim that included the subject matter of original dependent claims 4 and 8, which were correspondingly cancelled. Original claim 4 specified that the "sealing means comprise sealing rings," and claim 8 named an additional element: a "sleeve made of a magnetizable material, which encircles the hollow cylindrical assembly." Thus new claim 1 was narrower as a whole because it replaced "sealing means" with "sealing rings" and added a "sleeve made of a magnetizable material and encircles said tube". The record stated no reason for these changes. Stoll also submitted two German patents that were cited during examination of the corresponding German application, with the explanation that "neither of these references discloses the use of structure preventing the interference of impurities located inside the tube . . . while the arrangement is moved along the tube." The examiner then allowed the claims.

Thus, claim 1 was not rejected on prior art but simply as "unclear". In response, the language "sealing means at each end [of a piston] for wiping engagement with an internal surface of the tubular part . . ." was replaced with "sealing rings located axially outside said guide rings for wiping said internal wall as said piston moves along said tube . . . ." The German references did not disclose "the use of structure preventing the interference by impurities inside the tube . . .

while the arrangement is moved along the tube." Thus the importation from dependent claim 4 of "sealing rings" to replace the "sealing means" in original claim 1 did not narrow scope to avoid the German references—since the "sealing means" limitation of original claim 1 already avoided those references. The *Festo* majority ruled that all access to the doctrine of equivalence was barred not only as to the "sealing rings" element, but also as to the "magnetizable sleeve"—notwithstanding that the scope of that element from original dependent claim 8 was not in the least narrowed.

To further illustrate the consequences of the absolute bar rule "legislated" by the majority in *Festo*, suppose that claim 1 were rejected on prior art, but claims 4 and 8 were only objected to as drafted in improper dependent form. Claims 4 and 8 would presumably be allowed if rewritten to include the limitations of rejected claim 1, from which they depended. Under the rule of *Festo*, access to the doctrine of equivalents would be barred for the elements added by amendment. But if claims 4 and 8 had been presented as independent claims in the first place, they would have been allowed without amendment, and thus with full access to the doctrine of equivalents. This result elevates form over substance.

Nothing in reason or policy supports the *Festo* inflexible bar rule. Prosecution history estoppel is a doctrine grounded in equitable principles, as is the doctrine of equivalents. Equity does not substitute form for substance. Paraphrasing the language of this Court in *Graver Tank*, 339 U.S. at 609, and substituting "prosecution history estoppel" for "equivalency":

> What constitutes *prosecution history estoppel* must be determined against the context of the patent, the prior art, and the particular circumstances of the case. *Prosecution history estoppel*, in the patent law, is not the prisoner of a formula and is not an absolute to be considered in a vacuum.

D. *The Federal Circuit's "Intrinsic Evidence" Rule Is Inconsistent With Warner-Jenkinson*

In *Warner-Jenkinson*, this Court established a *rebuttable* presumption that unexplained claim amendments are related to patentability and (thus) may limit application of the doctrine of equivalents. 520 U.S. at 33-34. This presumption was said to give "proper deference to the role of claims in defining an invention and providing public notice, and to the primacy of the PTO in ensuring that the claims allowed cover only subject matter that is properly patentable in a proffered patent application." *Id.* By limiting the evidence that may be used to rebut this presumption to the intrinsic prosecution record, *Festo* has trivialized the structure that this Court carefully erected for addressing unexplained amendments. As one of the *Festo* judges noted in dissent: "The rebuttable presumption thereby becomes irrebuttable, because the prosecution record is necessarily silent in order for the presumption to arise at all." *Festo*, 234 F.3d at 632.

This amicus curiae agrees with the dissenting judge. This Court did not create an empty procedural expedient. If the record does not reveal the reason for the amendment, and if the patentee is to have an effective right of rebuttal, then he must be permitted to go outside the record and produce his evidence.

In the interests of "certainty," the *Festo* majority has created a rule of evidence that conditions a patentee's access to the doctrine of equivalents on an accident of attorney practice. As noted above, there are a variety of claim amendments that, even if unexplained in the intrinsic record, are easily explained by extrinsic evidence. The Federal Circuit's decision to deny patentees access to that evidence is inconsistent both with *Warner-Jenkinson* and with the basic rules under which the Federal Courts operate. *See* Fed. R. Civ. P. 1 (providing that the Rules of Civil Procedure "shall be construed and administered to secure the just, speedy and

inexpensive determination of every action"); Fed. R. Evid. 102 (providing that the Rules of Evidence be construed "to the end that the truth may be ascertained and proceedings justly determined").

CONCLUSION

HIPLA respectfully requests that this Court reverse the decision of the Federal Circuit, insofar as it is based upon the "intrinsic evidence" and "inflexible bar" rules identified above.

Respectfully submitted,

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